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### **For Immediate Release**

April 1, 2014

### **COURT RULING: HAWAII NOT OBLIGATED TO FILL FEDERAL FUNDING GAP FOR MEDICAID EXPENSES**

HONOLULU – The following is a joint statement from the Hawaii State Departments of the Attorney General, Human Services, and Health regarding a recent federal appeals court ruling.

On Tuesday, April 1, 2014, the U.S Court of Appeals for the Ninth Circuit ruled in Korab v. McManaman that Hawaii cannot be compelled to fund Medicaid benefits for migrants under the Compacts of Free Association (COFA). The Compacts allow citizens from Palau, the Marshall Islands, and the Federated States of Micronesia to live and work in the U.S.

A funding gap for such benefits was created in 1996 when Congress eliminated federal health care funding for COFA migrants. Following 1996, Hawaii voluntarily provided such benefits to make up for the federal cuts. In 2010, Hawaii sought to establish a separate medical program with fewer benefits for COFA migrants residing in Hawaii.

A lawsuit was filed and a lower federal court in Hawaii issued a preliminary injunction to stop Hawaii from implementing the new program. That decision has now been overturned.

The State will review and analyze the decision and its programs to determine how best to proceed.

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